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MILK MARKET INFORMATION  
CHATTANOOGA TENNESSEE MARKETING AREA 1958  
February 1957

Number 7

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Released Pursuant to \$1000.27 (j) and \$1000.85, USDA-AMS  
Federal Order No. 100, 3756 Ringgold Rd., Chattanooga 11, Tennessee  
J. B. McCroskey, Market Administrator

MARKET SUMMARY FEBRUARY 1957

The Order MINIMUM uniform price payable to producers for milk delivered during February to plants located less than 65 miles from City Hall, Chattanooga, Tennessee and distributing milk in Hamilton, Bradley and McMinn Counties Tennessee is \$4.90 per cwt. f.o.b. plants for milk testing 4.0% butterfat. The butterfat differential is 7.1¢ for each one tenth of one percent above or below 4 percent. (See page 3) It is reported by Chattanooga Area Milk Producers Association that their negotiated premium price will be \$5.086 for February producer milk testing 4.0% butterfat.

During February 79.4 percent of total producer milk was priced in Class I at \$5.36 per cwt. with a handler butterfat differential of 7.7¢ and 20.6 percent was priced in Class II at \$3.24 per cwt. with a butterfat differential of 6.8¢. (See page 3) The percent of producer skim and butterfat priced in Class I was 80.0% and 65.5% respectively. The daily average of producer milk during February increased 1.7 percent compared with January. The daily average use of Class I increased 0.8 percent compared with January 1957.

The Order MINIMUM Class I price for March 1957 is \$5.33, a decrease of 3 cents under the February Class I price. The average Mid-West Condenseries price, being the highest of the four alternate price formulas, was used to compute the Class I price for March.

DAIRY SUPPORT PRICES

The U. S. Department of Agriculture has announced that current dollars-and-cents support prices for manufacturing milk will be continued at the present \$3.25 per hundredweight for manufacturing milk (3.95 butterfat test) and 58.6 cents per pound for butterfat through the 1957-58 dairy marketing year which begins on April 1. These support prices are an estimated 83 percent of the parity equivalent price for manufacturing milk and 80 percent of the parity price for butterfat as of early 1957.

The buying prices for butter, which are set to reflect the support price for butterfat, will be slightly higher ( $\frac{1}{4}$  cent per pound) after March 31. This change is needed to assure an average price to producers for butterfat fully equal to the support price during the coming heavy-producing summer months. The per pound buying price for U. S. Grade A or higher butter (Grade B two cents less) at Tennessee points will be the price at the designated market (New York 60.5¢, Seattle or San Francisco 59.75¢) named by the seller, less 80 percent of the lowest published domestic carload rail freight rates in effect on Feb. 1, 1957, from the point to the designated market. The buying price for butter in Alabama and Georgia is 59.5 cents.

The buying price for U. S. Grade A or higher Cheddar cheese is 35 cents per pound, the same as for the current program. The per pound buying price for U. S. Extra Grade Spray process nonfat dry milk meeting U.S.D.A. moisture and bacteria requirements is unchanged at 16 cents in barrels or drums and 15.15 cents in bags, but Roller process nonfat dry milk will be lowered  $\frac{1}{4}$  cent to 14 cents in barrels or drums and 13.15 cents in bags.

ACTIVITIES OF CHECK TESTERS FEBRUARY 1957: Plant calls 123; Composite samples tested 3030; Fresh samples tested 3686; Handler finished products tested 112; and Plantscales checked 7.

## COMPARISON OF MILK RECEIPTS AND UTILIZATION

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	<u>Feb. '57</u>	<u>Jan. '57</u>	<u>Dec. '56</u>	<u>Nov. '56</u>
<u>Number of Plants Reporting - Pool</u>	16	16	16	17
Non-Pool	4	4	4	4
<u>GROSS RECEIPTS (DAILY)</u>				
Producer Milk Pounds	384231	377851	369640	379384
% February '57 compared with:	100.0	101.7	103.9	101.3
Other Source Milk Pounds	24318	22710	23597	22598
<u>TOTAL MILK POUNDS</u>	408549	400561	393237	401982
% February '57 compared with:	100.0	102.0	103.9	101.6
<u>GROSS UTILIZATION (DAILY)</u>				
Class I Milk Pounds				
Fluid Milk	273030	270967	254917	277541
Buttermilk	36750	36768	34682	37725
Chocolate Milk	6472	6650	5990	6713
Fluid Skim	5426	5313	4313	4883
Fluid Creams	1989	1944	1994	1965
Bulk Milk and Cream to Non-Handlers	567	717	599	3413
Class I Shrinkage	1340	612	1464	1796
Inventory Reclassification	(707)	(568)	(716)	(885)
Overstated Sales	-0-	-0-	-0-	(256)
<u>TOTAL CLASS I MILK</u>	324867	322403	303243	332895
% February '57 compared with:	100.0	100.8	107.1	97.6
Class II Milk Pounds (Used to Produce)				
Butter	4789	6003	5128	5639
Cheddar and Cottage Cheese	7930	6765	5766	10087
Powder and Condensed Milk	44379	39923	55071	35353
Ice Cream	17681	12834	14180	12203
Inventory Variation	1389	5772	(736)	(1465)
Other <u>1/</u>	7514	6861	10585	7270
<u>TOTAL CLASS II MILK</u>	83682	78158	89994	69087
% February '57 compared with:	100.0	107.1	93.0	121.1
% Producer Milk of Gross Class I	118.3	117.2	121.9	114.0
% Producer Skim of Gross Class I Skim	117.3	116.1	120.8	112.9
% Producer Bf. of Gross Cl. I Bf.	143.6	145.0	150.0	141.5
% Producer Milk Priced in Class I	79.4	80.4	77.0	82.9

FARM BULK TANK MILK COMPARISONS

	<u>Jan. '57</u>	<u>Dec. '56</u>	<u>Nov. '56</u>	<u>Oct. '56</u>	<u>Sept. '56</u>
Total Market Lbs.	11,713,377	11,458,844	11,381,524	11,259,331	10,474,904
Farm-Bulk Tank Lbs.	1,667,150	1,407,174	1,249,843	1,146,005	1,049,194
Bulk-% of Total	14.23%	12.28%	10.98%	10.18%	10.02%
Total Market-Producers	801	799	857	864	801
Farm Bulk Tank-Producers	59	49	46	44	41
Bulk Prod.-% of Total	7.37%	6.13%	5.37%	5.09%	5.12%
Daily Avg. per Producer-Lbs.					
Total Market	472	463	443	420	436
Farm Bulk Tank	912	926	906	840	853
Can Deliveries	437	432	416	398	413

1/ Includes stockfeed, sour cream, eggnog, overage and shrinkage.



# SUMMARY OF COMPUTATION OF UNIFORM PRODUCER PRICES FOR FEBRUARY 1957

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Based on 20 plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test	Cwt. Price @ Test	Value
Gross Class I		9096287	3.6234		
Less Other Source		558622	3.5095		
Producer Milk Class I	79.4	8537665	3.630829	\$5.075738	\$433349.51
Gross Class II		2343082	6.9868		
Less Other Source		122293	0.2085		
Producer Milk Class II	20.6	2220789	7.360042	5.524829	122694.79
TOTAL PROD. (Cl. I + Cl. II)	100.0	10758454	4.400623		556044.30
Add Fractional Adjustment					.01
Add Unpriced Milk Allocated to Cl. I		258492		0.46	1189.06
Add Overage Value					10.28
Add Inventory Reclass. Value					4.29
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					5129.50
TOTAL VALUE AT TEST		10758454	4.400623		562377.44
Less Test Over $\frac{1}{4}\%$ @ 7.1¢ per point		10758454	.400623	.284442	30601.56
TOTAL VALUE AT $\frac{1}{4}\%$		10758454	4.0	4.942865	531775.88
Less Producer-Settlement Fund Reserve		10758454		.042865	4611.61
UNIFORM PRICE f.o.b. POOL PLANT (0-65 Miles)		10758454	4.0	4.90	527164.27

## FEBRUARY 1957 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)

BUTTERFAT DIFFERENTIAL 7.1¢ PER POINT (Excludes Premiums)

TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE
3.0	\$4.19	3.6	\$4.616	4.2	\$5.042	4.8	\$5.468	5.4	\$5.894
3.05	4.2255	3.65	4.6515	4.25	5.0775	4.85	5.5035	5.45	5.9295
3.1	4.261	3.7	4.687	4.3	5.113	4.9	5.539	5.5	5.965
3.15	4.2965	3.75	4.7225	4.35	5.1485	4.95	5.5745	5.55	6.0005
3.2	4.332	3.8	4.758	4.4	5.184	5.0	5.61	5.6	6.036
3.25	4.3675	3.85	4.7935	4.45	5.2195	5.05	5.6455	5.65	6.0715
3.3	4.403	3.9	4.829	4.5	5.255	5.1	5.681	5.7	6.107
3.35	4.4385	3.95	4.8645	4.55	5.2905	5.15	5.7165	5.75	6.1425
3.4	4.474	4.0	4.90	4.6	5.326	5.2	5.752	5.8	6.178
3.45	4.5095	4.05	4.9355	4.65	5.3615	5.25	5.7875	5.85	6.2135
3.5	4.545	4.1	4.971	4.7	5.397	5.3	5.823	5.9	6.249
3.55	4.5805	4.15	5.0065	4.75	5.4325	5.35	5.8585	5.95	6.2845

## FEBRUARY MARKET SUMMARIES - 16 POOL PLANTS AND 4 NON-POOL PLANTS

Classification by Source

	Total		Class I		Class II	
	Pounds	%	Pounds	%	Pounds	%
Producer Milk	10758454	94.0	8537665	93.9	2220789	94.8
Other Source Milk	680915	6.0	558622	6.1	122293	5.2
Total	11439369	100.0	9096287	100.0	2343082	100.0

Classification by Use

	Total		Producer Milk		Other Source	
	Pounds	%	Pounds	%	Pounds	%
Class I	9096287	79.5	8537665	79.4	558622	82.0
Class II	2343082	20.5	2220789	20.6	122293	18.0
Total	11439369	100.0	10758454	100.0	680915	100.0

## SUMMARY OF CHATTANOOGA MILK PRICES (4 PERCENT MILK)

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Month	PRODUCER UNIFORM PRICES Per hundredweight					HANDLER CLASS PRICES			
	Uniform	Base	Excess	Bf.Dif.		Class I Cwt.	Bf.Dif.	Class II Cwt.	Bf.Dif.
Sept. '56	\$5.00 <sup>1/</sup>	-	-	7.2¢		\$5.28	7.7¢	\$3.57	6.9¢
Oct.	5.08 <sup>1/</sup>	-	-	7.3¢		5.32	7.8¢	3.60	7.0¢
Nov.	5.02 <sup>1/</sup>	-	-	7.4¢		5.35 <sup>1/</sup>	7.9¢	3.65	7.1¢
Dec.	4.93 <sup>1/</sup>	-	-	7.2¢		5.40 <sup>1/</sup>	8.0¢	3.55	6.9¢
Jan. '57	4.97 <sup>1/</sup>	-	-	7.1¢		5.37 <sup>1/</sup>	7.8¢	3.53	6.8¢
Feb.	4.90 <sup>1/</sup>	-	-	7.1¢		5.36 <sup>1/</sup>	7.7¢	3.24	6.8¢
Mar.	-	-	-	-		5.33	7.7¢	-	-

## SUMMARY OF PRICES USED IN DETERMINING CLASS PRICES

Month	AVERAGE QUOTATIONS			ALTERNATIVE FORMULAS				Highest or Basic Formula \$-cwt-4%
	Chi. 92° Butter ¢ lb.	Chi. Area Powders ¢ lb.	Wisc. Cheese ¢ lb.	Cond. Mid-West \$-cwt-4%	Butter- Cheese \$-cwt-4%	Butter- Powder \$-cwt-4%	4 Tenn. Milk mfgs \$-cwt-4%	
Feb. '56	57.375	14.135	31.750	3.43	3.12	3.43		3.43
Mar.	57.375	14.205	31.700	3.39	3.12	3.43		3.43
Apr.	58.280	14.460	32.833	3.38	3.18	3.47		3.47
May	59.170	14.470	33.164	3.40	3.23	3.52		3.52
June	59.125	14.305	33.170	3.40	3.23	3.51		3.51
July	59.208	14.155	33.188	3.41	3.23	3.52		3.52
Aug.	59.462	14.310	33.175	3.44	3.24	3.53	3.08	3.53
Sept.	60.283	14.280	33.172	3.54	3.28	3.57	3.12	3.57
Oct.	60.842	14.225	33.094	3.58	3.30	3.60	3.16	3.60
Nov.	61.881	14.305	33.000	3.63	3.35	3.65	3.21	3.65
Dec.	59.934	14.270	33.062	3.62	3.26	3.55	3.21	3.62
Jan. '57	59.386	14.275	33.250	3.61	3.24	3.53	3.26	3.61
Feb.	59.375	14.235	33.417	3.58	3.24	3.53	3.24	3.58

## SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE)

Month	GROSS POUNDS MILK <sup>2/</sup>					Number of		Deliveries Per Farm -- Pounds			Prod. Milk Test
	Class I	Producer	Base	Excess	Total	Plants	Prods.	Prod.	Base	Excess	
Sept. '56	327083	349163	-	-	372556	21	801	436	-	-	4.43
Oct.	341139	363204	-	-	391408	21	864	420	-	-	4.51
Nov.	332895	379384	-	-	401982	21	857	443	-	-	4.58
Dec.	303243	369640	-	-	393237	20	799	463	-	-	4.51
Jan. '57	322402	377851	-	-	400561	20	801	472	-	-	4.53
Feb.	324867	384231	-	-	408549	20	798	481	-	-	4.40

## 1957 BASE NOTICE

The average daily bases that producers established during the months of September, 1956 through January, 1957 were announced by the Market Administrator before March 1, 1957. If any producer who established a base did not receive a base notice, he should contact the office of the Market Administrator. During the months of March through July, 1957 all Chattanooga area producers will receive settlement for their milk at a base price and an excess price. The milk delivered by each producer above his monthly base will be paid for at the excess price. If base deliveries are less than Class I utilization, the excess price will be increased to the extent excess milk is used in Class I.

<sup>1/</sup> Excludes Premium

<sup>2/</sup> Other Source equals difference between Producer and Total: Class II equals difference between Class I and Total.